

## Message Text

UNCLASSIFIED

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ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 /068 W

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P 302155Z NOV 76

FM AMEMBASSY SUVA

TO SECSTATE WASHDC PRIORITY 5586

INFO AMEMBASSY WELLINGTON PRIORITY

AMEMBASSY CANBERRA PRIORITY

UNCLAS SUVA 1338

E.O. 11652: N/A

TAGS: EFIN FJ

SUBJ: FIJI REACTION TO AUSTRALIAN AND NEW ZEALAND  
DEVALUATION

1. FIJI FINANCE MINISTER CHARLES STINSON ANNOUNCED IN PARLIAMENT NOV. 29 THERE WOULD BE NO DEVALUATION OF THE FIJI DOLLAR IN THE WAKE OF AUSTRALIAN DEVALUATION (NEW ZEALAND ANNOUNCEMENT WAS MADE LATER IN THE DAY) AND THAT FIJI DOLLAR WOULD CONTINUE TO BE PEGGED TO AVERAGE OF BASKET OF CURRENCIES, AS IT HAS BEEN IN THE LAST THREE YEARS. THE AUSTRALIAN DEVALUATION OF 17.5 PER CENT HAS LED TO THE EFFECTIVE DEPRECIATION OF FIJI CURRENCY BY 5.6 PER CENT TO AUSTRALIAN CURRENCY, BUT THE RATE BETWEEN THE FIJI DOLLAR AND US DOLLAR CHANGED ONLY marginally. EXCHANGE RATES ESTABLISHED BY CITIBANK IN SUVA NOV. 30 WERE AS FOLLOWS (FIJI DOL 1.00): USDOL 1.0401, AUDOL 1.0241, NZDOL 1.1486.

2. STINSON INDICATED FIJI CONSUMERS WOULD BENEFIT FROM GOVERNMENT DECISION NOT TO DEVALUE IF BUSINESS SECTOR COOPERATES BY PASSING ON SAVINGS TO CONSUMERS. HE SAID THAT SINCE MAIN COMMODITY EXPORT ITEMS FROM FIJI - SUGAR, GOLD, COCONUT OIL AND BANANAS - ARE PRICED IN OTHER THAN UNCLASSIFIED

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FIJI CURRENCY, TOTAL RECEIPTS FROM EXPORT SALES WOULD NOT

BE AFFECTED. HE SAID THAT ALTHOUGH AUSTRALIAN TOURISTS  
WOULD FIND HOLIDAYS IN FIJI MORE EXPENSIVE, FIJI WOULD  
STILL BE ATTRACTIVELY PRICED COMPARED TO MORE DISTANT  
DESTINATIONS.  
FLANEGIN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CURRENCIES, DEVALUATIONS, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** powellba  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 AUG 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 AUG 2004 by castels>; APPROVED <17 NOV 2004 by powellba>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
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**TAGS:** EFIN, FJ  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006